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SUBJECT: KCTU CHOOSES MODERATE AS NEW LEADER

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SUMMARY

[1](#)1. (SBU) The Korean Confederation of Trade Unions (KCTU) elected a new president on Saturday January 27. Lee Seok-haeng was chosen by a narrow margin as the head of the more radical umbrella labor organization supported by 760,000 workers. As a self-proclaimed moderate, Lee's election marks a shift in KCTU's approach to labor relations both with the government and with employers. Choosing a moderate as the new leader also sends a signal that the organization recognizes it fell out of favor with the general public and will work to restore that trust over the next three years during Lee's tenure. In his acceptance speech, Lee said that his first two agenda items were to defeat the KORUS FTA and improve conditions for non-regular workers (explicitly raising the priority of these two items above others in the prior leadership's broader agenda).

A NARROW VICTORY

[1](#)2. (SBU) In the wake of a difficult year for labor unions where the public openly criticized them for pursuing political agendas and unnecessarily disrupting the economy, KCTU chose a moderate to lead the organization for the next three years. Lee joined the labor movement after he was fired from Daedong Heavy Industries and went on to serve as KCTU's general secretary until recently. Lee Seok-haeng received 482 votes from 919 representatives participating in the voting process to claim a narrow 52 percent victory. Reports indicate that this win came only after a second vote was held, necessitated by an initial lack of a simple majority.

THE WAY FORWARD

[1](#)3. (SBU) Lee takes control of one of the two largest umbrella trade organizations in Korea that is best known for its violent protests and propensity for prolonged strikes. Suggesting a shift from this past, Lee said in his acceptance speech "I will do my best so that the Korean Confederation of Trade Unions will be respected by its members and loved by the nation." A recent poll indicated that 65 percent of respondents favored cracking down on illegal strikers while only 21 percent were opposed. KCTU supported a number of

illegal strikes last year, the most recent came at the end of 2006 at Hyundai Motors (Ref A). Some workers under the KCTU umbrella complained that walkouts were led by union leaders and did not reflect the opinions of ordinary workers. In response to these concerns, Lee said that he will strive to obtain internal consensus before initiating talks with management.

¶4. (SBU) In perhaps the most telling statement during his acceptance speech, Lee stated that "A strike is a means, and it can never be a goal." One editorial suggested that this new approach to labor negotiations may help in changing the foreign investor's perception that the Korean labor force is a major hurdle preventing foreign investors from coming to Korea. KCTU argues that it is working to protect the jobs and rights of Korean citizens. It has actively (and sometimes violently) advocated against the KORUS FTA for this same reason. In his acceptance speech, Lee said that his first two agenda items were to defeat the KORUS FTA and improve conditions for irregular workers (explicitly raising the priority of these two items above others in the prior leadership's broader agenda).

¶5. (SBU) Lee also said that he would not reject talks with the Federation of Korean Trade Unions (FKTU), the other trade union umbrella organization. This is a positive sign that KCTU may rejoin the Tri-Partite Commission working toward labor reform through an agreement between labor, employers and government. KCTU has been at odds with FKTU after the more moderate umbrella group signed a deal with employers and the government in November of last year (Ref B) to provide protections for non-regular workers. KCTU has not participated in Tri-Partite Commission, meetings designed to foster positive labor relations, since 1999.

COMMENT

¶6. (SBU) Although Lee's election marks a shift away from KCTU's radical past, the small margin of victory shows the lack of a broad consensus among the unions about which tactics will best serve them and the workers they represent. If Lee is not able to appease the hard-liners who did not support his rise to power, they are likely to break away from KCTU and form their own umbrella organization. In his first public statements as President, Lee focused on common ground by confirming his opposition to the KORUS FTA, a sentiment not only shared by the vast majority of KCTU members but also the majority of FKTU members. Given that Lee has reconfirmed his strong opposition to the KORUS FTA, it is likely that there will be loud (but not necessarily violent) opposition as the talks draw nearer to conclusion and on to possible ratification.

VERSHBOW